

Outer Continental Shelf

**Thursday
August 21, 1980**

Part III

**Department of the
Interior**

Bureau of Land Management

**Outer Continental Shelf—Gulf of Mexico,
Oil and Gas Lease Sale No. A62 and
Notice of Leasing Systems, Sale No. A62**

Outer Continental Shelf, Gulf of Mexico

Notice of Leasing Systems, Sale No. A62

Sec. 8(a)(8) [43 U.S.C. 1337 (a)(8)] of the Outer Continental Shelf (OCS) Lands Act, as amended, requires that, at least 30 days before any lease sale, a notice be submitted to the Congress and published in the Federal Register:

- (A) identifying the bidding systems to be used and the reasons for such use; and
- (B) designating the tracts to be offered under each bidding system and the reasons for such designation.

This notice is published pursuant to these requirements.

A. Bidding systems to be used. In OCS Sale No. A62, tracts will be offered under the following four bidding systems as authorized under Sec. 8(a)(1) [43 U.S.C. 1337 (a)(1)]: (1) bonus bidding with a fixed 33 1/3 percent royalty on 22 tracts, (2) bonus bidding with a fixed sliding scale royalty on 59 tracts, (3) bonus bidding with a fixed net profit share on 40 tracts, and (4) bonus bidding with a fixed 16 2/3 percent royalty on 71 tracts.

(1) Bonus Bidding with 33 1/3 Percent Royalty. This system is authorized by Sec. 8(a)(1)(A) of the OCS Lands Act, as amended. This higher royalty type system was first tested in OCS Sale 35 held December 11, 1975, and used again in Sale 40 held August 17, 1976. This system is designed to reduce the bonus bids as a result of the high royalty rates and thereby may increase competition for these leases. Our simulation analysis for the tracts selected for this system indicated that the assignment of the high royalty costs had very little effect on production decisions and therefore on the amount of oil and gas

extracted. These results suggest the benefits of possible increases in competition are worth testing when compared to the slight risks of making production less economic.

(2) Bonus Bidding with Sliding Scale Royalty. This system is authorized by Sec. 8(a)(1)(c) of the OCS Lands Act, as amended. The use of the sliding scale royalty system was introduced in OCS Sale 43 (March 28, 1978) and used again in the last nine OCS lease sales.

The sliding scale is designed to establish higher royalty rates for larger reservoirs with higher production rates. As such, the expected bonus is reduced compared to a fixed one-sixth royalty system. This may improve competition for leases, and also tends to reduce the likelihood of production losses that could result if higher royalty rates are set by other means, such as royalty bidding, prior to reservoir delineation and production. The sliding scale formula provided for Sale A62 is based on the current assumed range of costs and wellhead prices for this area.

The sliding scale used in Sales #43 and #45 was linear in form. Although this form is easy to describe it has three disadvantages which may affect the socially optimal level of production. At certain levels of production, a linear schedule causes erratic fluctuations in the royalty charged on increments in output which may lead producers to make socially non-optimal production decisions in order to minimize these royalty impacts on net revenues. Marginal royalty rates also can reach very high levels even though the average rates are low. In addition, because production costs are non-linear it can be shown that the royalty rate schedule should conform more closely to the functional form of these costs in order to minimize production losses from non-development of otherwise profitable tracts.

production to the value of that index for the quarter preceding the issuance of the lease. The GIP fixed weighted price index is published monthly in the "Survey of Current Business," by the Bureau of Economic Analysis, U.S. Department of Commerce. The percent royalty will be due and payable on the actual amount or value of production saved, removed, or sold.

(3) Bonus Bidding with a Fixed Net Profit Share. This system is authorized by Sec. 8(a)(1)(D) of the OCS Lands Act, as amended. Sale M62 will be the first test of this bidding system, which was established by Department of Energy (DOE) regulations effective May 14, 1980. This profit share system is intended to increase competition by generating greater contingency payments to the Government and thereby reducing the initial cash bonus. It is designed to increase the volume of production, because certain allowable capital costs may be deducted prior to any liability for profit share payments. In addition, the system may foster the development of marginal fields when compared to a royalty system since the government shares more of the risk and the lessees incremental costs are lower in the presence of a capital recovery.

The initial experiment with a profit share system uses cash bonus as the bid variable principally to avoid percentage bids at too high levels which would make future development either economically inefficient or simply uneconomic. In addition, it is easier to administer and unitize adjacent tracts with similar profit share rates. Furthermore, a fixed profit share better assures that the most efficient firms who can produce at lower costs are more likely to obtain leases than would be the case if it were possible for less efficient firms to simply bid away higher percentages of lower profits.

Firms will be permitted to recover a factor of 1.00 over their actual allowable costs before any profit share payments are due. The profit share rate selected for this sale is 50 percent. These parameters were selected on the basis of DOE and DOI studies regarding the effect on bonuses, profit-share payments, government receipts, gross production, minimal economic tract sizes, and part-

The fixed sliding scale formula operates in the following way: when the quarterly value of production, adjusted for inflation, is less than or equal to \$10.812077 million, a royalty of 16.66667 percent in amount or value of production saved, removed or sold will be due on the unadjusted value or amount of production. When the adjusted quarterly value of production is equal to or greater than \$10.812078 million, but less than or equal to \$445.239477 million, the royalty percent due on the unadjusted value is given by the formula

$$R_j = b(\ln(V_j/S))$$

where

R_j = the percent royalty that is due and payable on the unadjusted amount or value of all production saved, removed or sold in quarter j

$$b = 13.0$$

\ln = natural logarithm

V_j = the value of production in quarter j , adjusted for inflation, in millions of dollars

$$S = 3.0$$

then the adjusted quarterly value of production is equal to or greater than \$445.239478 million, a royalty of 65.00000 percent in amount or value of production saved, removed or sold will be due on the unadjusted quarterly value of production. Thus, in no instance will the quarterly royalty due exceed 65.00000 percent in amount or value of quarterly production saved, removed or sold.

In adjusting the quarterly value of production for use in calculating the percent royalty due on production during the quarter, the actual value of production will be adjusted to account for the effects of inflation by dividing the actual value of production by the following inflation adjustment factor. The inflation adjustment factor used will be the ratio of the GIP fixed weighted price index for the calendar quarter preceding the quarter of

The enclosed list shows the particular system selected for each tract.

Enclosure

E. J. Hawley
Director, Bureau of Land Management

Associate

AUG 7 1980

Approved:

Leslie P. Anderson
Secretary of the Interior

8-15-80

iculary on the incentive to alter the production profile.

(4) Bonus Bidding with a 16 2/3 Percent Royalty. This system is authorized by Sec. 8(a)(1)(A) of the OCS Lands Act, as amended. This relatively low royalty system has been used extensively since the passage of the OCS Lands Act in 1953 and results in greater risks to the lessee from finding a dry hole, but more rewards (i.e., lower contingency payments to the government) if a commercial field is discovered. The use of this system will also provide data to compare the performance of the alternative systems.

R. Designation of Tracts. The selection of tracts to be offered under the four systems was based on the following factors:

- (1) Lease terms on adjacent tracts were considered in order to reduce administrative costs and barriers to unitization, and to enhance orderly development of each field.
- (2) A sufficient number of tracts was needed to permit valid statistical analysis while limiting the risks of losses caused by unforeseen problems which could arise in the use of any new bidding system. The number of tracts must also be consistent with the requirements of Sec. 8(a)(5)(F) of the OCS Lands Act, as amended.
- (3) The range and distribution of the characteristics of tracts were to be comparable for statistical purposes for each system. Such characteristics include estimated resources, water depth, structure depth, favorable vs. unfavorable location of tracts on structures, and the location of tracts across trends.

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 18
(Approved September 8, 1959)

Tract	Block	Description	Bidding System	Acreage
A62-29	489	A11	SS	5000
A62-30	490	A11	SS	5000
A62-31	518	A11	FS	5000
A62-32	519	A11	FS	5000
A62-33	523	A11	FS	5000
A62-34	547	A11	FS	5000
A62-35	548	A11	FS	5000
A62-36	553	A11	FS	5000
A62-37	646	A11	SS	5000

OCS LEASING MAP, EAST CAMERON AREA, LOUISIANA MAP NO. 2
(Approved June 8, 1954; Revised August 1, 1973)

Tract	Block	Description	Acreage	
A62-38	2	1/2	FS	2413.83
A62-39	16	1/2	FS	2417.35
A62-40	43	A11	FS	5000
A62-41	60	A11	FS	5000
A62-42	65	A11	FS	5000
A62-43	66	S 1/2	FS	2500

OCS LEASING MAP, EAST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 8A
(Approved September 8, 1959)

Tract	Block	Description	Acreage	
A62-44	348	A11	SS	5000
A62-45	349	A11	SS	5000

OCS LEASING MAP, VERMILION AREA, LOUISIANA MAP NO. 3
(Approved June 8, 1954; Revised June 25, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage	
A62-46	77	A11	FS	5000
A62-47	78	A11	FS	5000
A62-48	89	A11	SS	5067.26
A62-49	91	A11	SS	5204.83
A62-50	221	A11	FS	

TENTATIVE TRACT LIST
OCS SALE #A62

OCS LEASING MAP, SABINE PASS AREA, LOUISIANA MAP NO. 12
(Approved March 7, 1977)

Tract	Block	Description	Bidding System	Acreage
A62-1	12	A11	FS	5000
A62-2	14	A11	FS	5000

OCS LEASING MAP, WEST CAMERON AREA, LOUISIANA MAP NO. 1
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage	
A62-3	53	A11	FS	5000
A62-4	54	A11	FS	5000
A62-5	58	A11	FS	5000
A62-6	59	A11	FS	5000
A62-7	64	A11	FS	5000
A62-8	68	N 1/2	FS	5000
A62-9	79	A11	FS	5000
A62-10	90	A11	FS	5000
A62-11	91	A11	FS	5000
A62-12	97	A11	SS	5000
A62-13	166	A11	SS	5000
A62-14	167	A11	SS	5000
A62-15	203	A11	FS	5000
A62-16	211	A11	FS	5000
A62-17	240	A11	FS	5000

OCS LEASING MAP, WEST CAMERON AREA, WEST ADDITION, LOUISIANA MAP NO. 1A
(Approved November 15, 1955; Revised January 30, 1957)

Tract	Block	Description	Acreage	
A62-18	157	A11	SS	2170.32
A62-19	289	A11	SS	5000
A62-20	290	A11	SS	5000
A62-21	291	A11	SS	5000
A62-22	293	A11	SS	5000
A62-23	298	A11	SS	5000
A62-24	299	A11	SS	5000
A62-25	300	A11	SS	5000
A62-26	315	A11	SS	5000
A62-27	317	A11	SS	5000
A62-28	363	A11	SS	5000

A/ FS is one-sixth fixed royalty system
 FT is one-third fixed royalty system
 SS is sliding schedule royalty system
 PS is fixed net profit share system

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, NORTH ADDITION, LOUISIANA MAP NO. 3D
(Approved April 16, 1971; Revised January 18, 1972)

Tract	Block	Description	Bidding System	Acreage
A62-71	231	7/	FT	3592.72
A62-72	232	A11	FT	4818.68
A62-73	234	2/	FT	1756.63
A62-74	236	8/	FT	2070.72
A62-75	242	9/	FT	3068.22
A62-76	247	A11	SS	4926.98
A62-77	274	A11	FS	5035.27

OCS LEASING MAP, EUGENE ISLAND AREA, LOUISIANA MAP NO. 4
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Bidding System	Acreage
A62-78	76	A11	FS	5000
A62-79	90	N ₂ ; S _W 4	FS	3750
A62-80	112A	A11	FS	5000
A62-81	116	M ₂	FT	2500
A62-82	117	A11	FT	5000
A62-83	129A	A11	FT	3824.72
A62-84	133	A11	FS	5000
A62-85	142	A11	PS	5000
A62-86	143	A11	PS	5000
A62-87	146	A11	PS	5000
A62-88	147	A11	PS	5000
A62-89	148	A11	PS	5000
A62-90	159	A11	PS	5000
A62-91	160	A11	PS	5000
A62-92	181	A11	FS	5000
A62-93	182	A11	FS	5000
A62-94	226	A11	FS	5000
A62-95	240	A11	FS	5000

OCS LEASING MAP, EUGENE ISLAND AREA, SOUTH ADDITION, LOUISIANA MAP NO. 4A
(Approved September 8, 1959)

Tract	Block	Description	Bidding System	Acreage
A62-96	396	A11	SS	5000

OCS LEASING MAP, VERMILION AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3B
(Approved September 8, 1959)

Tract	Block	Description	Bidding System	Acreage
A62-51	275	A11	SS	5000
A62-52	280	A11	SS	5000
A62-53	304	A11	PS	5000
A62-54	305	A11	PS	5000
A62-55	306	A11	PS	5000
A62-56	317	A11	PS	5000
A62-57	318	A11	PS	5000
A62-58	326	A11	FS	5000
A62-59	336	A11	FS	5000
A62-60	341	A11	FS	5000
A62-61	350	A11	FS	5000
A62-62	395	A11	FS	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, LOUISIANA MAP NO. 3A
(Approved August 7, 1959)

Tract	Block	Description	Bidding System	Acreage
A62-63	24	A11	FS	5000
A62-64	34	A11	FS	5000
A62-65	62	A11	SS	5000
A62-66	64	A11	SS	2965.03

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3C
(Approved September 8, 1959)

Tract	Block	Description	Bidding System	Acreage
A62-67	100-	A11	SS	5000
A62-68	122	A11	FS	5000
A62-69	160	A11	SS	5000
A62-70	198	A11	SS	3545.99

OCS LEASING MAP, SOUTH TIMBALIER AREA, SOUTH ADDITION, LOUISIANA MAP NO. 6A
(Approved September 8, 1959; Revised July 22, 1968)

Tract	Block	Description	Bidding System	Acreage
A62-115	227	A11	FT	5000
A62-116	228	A11	SS	5000
A62-117	246	A11	SS	5000
A62-118	269	A11	SS	5000
A62-119	274	A11	SS	5000
A62-120	284	A11	PS	5000
A62-121	285	A11	PS	2148.46
A62-122	287	A11	PS	5000

OCS LEASING MAP, SOUTH PELTO AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
A62-123	2	1/	SS 3344.50
A62-124	3	1/	SS 4756.82
A62-125	4	A11	SS 5000
A62-126	7	A11	SS 5000

OCS LEASING MAP, GRANO ISLE AREA, LOUISIANA MAP NO. 7
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A62-127	34	A11	FS 5000

OCS LEASING MAP, GRANO ISLE AREA, SOUTH ADDITION, LOUISIANA MAP NO. 7A
(Approved September 8, 1959; Revised March 7, 1961)

Tract	Block	Description	Acreage
A62-128	91	A11	SS-PS 5000
A62-129	100	A11	FT 4539.89
A62-130	101	A11	FT 4539.89

OCS LEASING MAP, SHIP SHOAL AREA, LOUISIANA MAP NO. 5
(Approved June 8, 1954)

Tract	Block	Description	Bidding System	Acreage
A62-97	12	A11	FS	5000
A62-98	13	3/	FS	4357.81
A62-99	14	4/	FS	3237.50
A62-100	50	A11	SS	5000
A62-101	67	1/	FS	587.05
A62-102	173	A11	FS	5000

OCS LEASING MAP, SHIP SHOAL AREA, SOUTH ADDITION, LOUISIANA MAP NO. 5A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A62-103	319	A11	FS 5000
A62-104	332	A11	SS 5300.60

OCS LEASING MAP, SOUTH TIMBALIER AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
A62-105	76	A11	SS 5000
A62-106	77	A11	SS 5000
A62-107	96	A11	SS 5000
A62-108	97	A11	SS 5000
A62-109	160	FS	5000
A62-110	174	FS	3772.18
A62-111	192	A11	FS 5000
A62-112	200	A11	SS 5000
A62-113	208	A11	FT 5000
A62-114	209	A11	FT 5000

OCS LEASING MAP, WEST DELTA AREA, LOUISIANA MAP NO. 8
(Approved June 8, 1954)

Tract	Block	Description	Bidding System	Acreage
A62-131	27	A11	FS	5000
A62-132	102	A11	FS	5000

OCS LEASING MAP, WEST DELTA AREA, SOUTH ADDITION, LOUISIANA MAP NO. 8A
(Approved September 8, 1959; Revised November 24, 1961)

Tract	Block	Description	Acreage
A62-133	143	A11	5000
A62-134	144	A11	5000
A62-135	147	A11	5000
A62-136	148	A11	5000

OCS LEASING MAP, SOUTH PASS AREA, LOUISIANA MAP NO. 9
(Approved June 8, 1954; Revised July 22, 1954; Revised May 11, 1973)

Tract	Block	Description	Acreage
A62-137	35	1/	741.73
A62-138	38	1/	4747.02
A62-139	45	A11	4999.96
A62-140	56	S/	2999.84

OCS LEASING MAP, MAIN PASS AREA, LOUISIANA MAP NO. 10
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-141	(77)	1/	4655.15
A62-142	108	A11	4994.55
A62-143	126	A11	4994.55
A62-144	150	A11	4994.55

OCS LEASING MAP, MAIN PASS AREA, SOUTH AND EAST ADDITION, LOUISIANA MAP NO. 10A
(Approved September 8, 1959)

Tract	Block	Description	Bidding System	Acreage
A62-145	265	A11	SS	4994.55
A62-146	301	A11	FS	4999.96
A62-147	315	A11	SS	4999.96

OCS LEASING MAP, BRETON SOUND AREA, LOUISIANA MAP NO. 10
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-148	39	1/	1237.97
A62-149	40	1/	4877.32
A62-150	41	A11	4994.55
A62-151	42	1/	4551.83
A62-152	43	1/	1994.61
A62-153	54	Mx; MxSk; MxSkSk; MxSkSkSk; FT	4448.27
A62-154	55	Mx; MxSk; MxSkSk; MxSkSkSk; FT	2497.27

OCS LEASING MAP, CHANDELEUR AREA, LOUISIANA MAP NO. 11
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-155	17	A11	5000
A62-156	25	A11	5000
A62-157	32	A11	5000
A62-158	33	A11	5000
A62-159	34	A11	5000

OCS OFFICIAL PROTRACTION DIAGRAM, VIOSCA KNOLL NH 16-7
(Approved October 10, 1972; Revised February 15, 1973; Revised August 1, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
A62-160	24	A11	5760
A62-161	68	A11	5760
A62-162	864	A11	5760
A62-163	865	PS	5760
A62-164	908	A11	5760
A62-165	909	A11	5760

OCS LEASING MAP, SHIP SHOAL AREA, LOUISIANA MAP NO. 5
(Approved June 8, 1954)

Tract	Block	Description	Bidding System	Acreage
A62-227	171	A11	SS	5000

OCS LEASING MAP, SOUTH TIMBALIER AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
A62-228	34	A11	3772.18

OCS LEASING MAP, WEST DELTA AREA, LOUISIANA MAP NO. 8
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A62-229	78	A11	5000

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 1B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A62-230	575	A11	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, LOUISIANA MAP NO. 3A
(Approved August 7, 1959)

Tract	Block	Description	Acreage
A62-231	26	A11	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, NORTH ADDITION, LOUISIANA MAP NO. 30
(Approved April 16, 1971; Revised January 18, 1972)

Tract	Block	Description	Acreage
A62-232	235	5/	3633.65

OCS OFFICIAL PROTRACTOR DIAGRAM, EATING BANK NH 15-12
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Bidding System	Acreage
A62-166	304	A11	SS	3140.42

OCS OFFICIAL PROTRACTOR DIAGRAM, MISSISSIPPI CANYON NH 16-10
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
A62-167	149	A11	5611.56

OCS OFFICIAL PROTRACTOR DIAGRAM, GREEN CANYON NG 15-3
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
A62-168	89	A11	5760
A62-169	90	PS	5760
A62-170	91	PS	5760
A62-171	133	A11	5760
A62-172	134	PS	5760
A62-173	135	PS	5760
A62-174	136	PS	5760
A62-175	137	A11	5760
A62-176	138	PS	5760
A62-177	139	PS	5760
A62-178	140	PS	5760
A62-179	179	A11	5760
A62-180	180	PS	5760
A62-181	181	PS	5760
A62-182	182	PS	5760
A62-183	183	PS	5760
A62-184	184	A11	5760

OCS LEASING MAP, WEST CAMERON AREA, LOUISIANA MAP NO. 1
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-226	69	5 1/2	2500

OCS LEASING MAP, MAIN PASS AREA, LOUISIANA MAP NO. 10
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acres
A62-233	123	All	4994.55

- 1/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13).
- 2/ That portion of the lease block located landward of a line three marine leagues seaward of a line extending from a point on Shell Keys at a latitude 29°24'32.15"N., Longitude 91°51'16.59"W., (X = 1,834,019.00, Y = 270,301.00), northwesterly in a straight line to Tigre Point at latitude 29°32'23.13"N., longitude 92°14'57.15"W., (X = 1,708,756.00, Y = 318,661.00). The coordinates used refer to the Louisiana (Lambert) Coordinate System (South Zone).
- 3/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13) excluding the S1/2SE1/4.
- 4/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13) excluding the S1/2S1/2.
- 5/ That portion of the lease block located landward of a line which is three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, December 13, 1965, United States vs. Louisiana No. 9 Original. (362 U.S. 288).

6/ A portion of Block 235, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana, Map No. 3D, described as follows:

Beginning at the northwest corner of Block 235, the coordinates of which referred to the Louisiana (Lambert) coordinate System (South Zone) are: X = 1,765,446.562 and Y = 246,149.987;

From the initial corner,
South 8,033.742 ft. to X=1,765,446.562 Y=238,116.245
S.68°53'25"E. 15,819.67 ft. to X=1,780,204.612 Y=232,418.716
North 11,981.284 ft. to X=1,780,204.612 Y=244,400.00
N.56°36'22"W. 3,179.53 ft. to X=1,777,550.00 Y=246,149.987
West 12,103.438 ft. to the point of beginning.

The position of the corners and direction of the lines are referred to the Louisiana (Lambert) Coordinate System (South Zone).

7/ A portion of Block 231, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana, Map No. 3D, described as follows:

Beginning at the Northwest Corner of Block 231, the coordinates of which referred to the Louisiana (Lambert) Coordinate System (South Zone) are: X = 1,750,688.512; Y=260,908.037.

From the initial corner,

South 14,758.05 ft. to X=1,750,688.512 Y=246,149.987
East 14,758.05 ft. to X=1,765,446.562 Y=246,149.987
North 5,700.013 ft. to X=1,765,446.562 Y=251,850.00
N.58°17'31"W. 4,756.54 ft. to X=1,761,400.00 Y=254,350.00
N.55°58'50"W. 4,825.97 ft. to X=1,757,400.00 Y=257,050.00
N.50°00'48"W. 6,003.70 ft. to X=1,752,800.00 Y=260,908.037
West 2,111.488 ft. to the point of beginning

8/ A portion of Block 236, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana, Map No. 3D, described as follows:

Beginning at the Southwest corner of Block 236, the coordinates of which referred to the Louisiana (Lambert) Coordinate System (South Zone) are: X = 1,780,204.612 and Y = 231,391.937;

From the initial corner,

East 13,495.388 ft. to X=1,793,700.00 Y=231,391.937
N.46°26'43"W. 5,381.42 ft. to X=1,789,800.00 Y=235,100.00
N.40°36'05"W. 3,687.82 ft. to X=1,787,400.00 Y=237,900.00
N.46°41'05"W. 4,810.41 ft. to X=1,783,900.00 Y=241,200.00
N.49°06'33"W. 4,888.34 ft. to X=1,780,204.612 Y=244,400.00
South 13,008.063 ft. to the point of beginning

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80 25597

Department of the Interior
Bureau of Land Management
Outer Continental Shelf-Gulf
of Mexico

1

Oil and Gas Lease Sale No. 462

1. Authority: This notice is published pursuant to the Outer Continental Shelf Land Act of 1953 (43 U.S.C. 1331-1343), as amended, (92 Stat. 629), and the regulations issued thereunder (43 CFR Part 3300) as well as the Department of Energy Organization Act (91 STAT. 565) and the regulations issued thereunder (10 CFR Parts 376 and 390).

2. Filing of Bids. Sealed bids will be received by the Manager, New Orleans Outer Continental Shelf (OCS) Office, Bureau of Land Management, Hale Boggs Federal Building, 500 Camp Street, Suite 841, New Orleans, Louisiana 70130. Bids may be delivered, either by mail or in person, to the above address until 4:15 p.m., c.s.t., September 29, 1980; or by personal delivery to the Louisiana Superdome, Gate "C", Hyatt Ramp, Level 200, Rooms 4 and 5, 1500 Poydras Street, New Orleans, Louisiana between the hours of 8:30 a.m., c.s.t., and 9:30 a.m., c.s.t., September 30, 1980. Bids received by the Manager later than the times and dates specified above will be returned unopened to the bidders. Bids may not be modified or withdrawn unless written modification or withdrawal is received by the Manager prior to 9:30 a.m., c.s.t., September 30, 1980. All bids must be submitted and will be considered in accordance with applicable regulations, including 43 CFR Part 3300. The list of restricted joint bidders which applies to this sale was published in 45 FR 26827, April 21, 1980, as corrected in 45 FR 27836, April 24, 1980 and 45 FR 28822, April 30, 1980.

3. Method of Bidding. A separate bid in a sealed envelope, labeled "Sealed Bid for Oil and Gas Lease (insert number of tract), not to be opened until 10:00 a.m., c.s.t., September 30, 1980" must be submitted for each tract. A suggested form appears in 43 CFR Part 3300 (44 FR 38289, June 29, 1979), Appendix A. Bidders are advised that tract numbers are assigned solely for

9/ A portion of Block 242, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana, Map No. 3D, described as follows: Beginning at the southwest corner of block 242, the coordinates of which referred to the Louisiana (Lambert) Coordinate System (South Zone) are: X = 1,794,962.662 and Y=216,633.887;

From the initial corner,

East	14,758.05 ft.	to X=1,809,720.712	Y=216,633.887
North	4,635.811 ft.	to X=1,809,720.712	Y=221,269.698
Northwesterly along the arc of a 54,721.8 ft. radius circle to		X=1,804,097.05	Y=224,484.49
N. 56°51'08"W	10,909.83 ft.	to X=1,794,962.662	Y=230,450.00
South	13,816.113 ft.	to the point of beginning.	

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must be submitted on a cash bonus basis with the percent royalty due in amount or value of production saved, removed or sold fixed according to the sliding scale formula described below. This formula fixes the percent royalty at a level determined by the value of lease production during each calendar quarter. For purposes of determining the royalty percent due on production during a quarter, the value of production during the quarter will be adjusted for inflation as described below. The determination of the value of the production on which royalty is due will be made pursuant to 30 CFR 250.64.

The fixed sliding scale formula operates in the following way: when the quarterly value of production, adjusted for inflation, is less than or equal to \$10,812077 million, a royalty of 16.66667 percent in amount or value of production saved, removed or sold will be due on the unadjusted value or amount of production. When the adjusted quarterly value of production is equal to or greater than \$10,812078 million, but less than or equal to \$445,239477 million, the royalty percent due on the unadjusted value or amount of production is given by

$$R_j = b[\ln(V_j/S)]$$

where

R_j = the percent royalty that is due and payable on the unadjusted amount or value of all

production saved, removed or sold in quarter j

$$b = 13.0$$

\ln = natural logarithm

V_j = the value of production in quarter j adjusted

for inflation, in millions of dollars

$$S = 3.0$$

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administrative purposes and are not the same as block numbers found on official protraction diagrams or leasing maps. All bids received shall be deemed submitted for a numbered tract. Bidders must submit with each bid one-fifth of the cash bonus in cash or by cashier's check, bank draft on a solvent bank, or certified check, payable to the order of the Bureau of Land Management. No bid for less than a full tract as described in paragraph 12 will be considered. Bidders submitting joint bids must state on the bid form the proportionate interest of each participating bidder, in percent to a maximum of five decimal places, as well as submit a sworn statement that the bidder is not disqualified under 43 CFR Subpart 3316. The suggested form for this statement to be used in joint bids appears in 43 CFR Part 3300 (44 FR 38289, June 29, 1979), Appendix B. Other documents may be required of bidders under 43 CFR 3316.4. Bidders are warned against violation of 18 U.S.C. 1860, prohibiting unlawful combination or intimidation of bidders.

4. Bidding Systems. All leases awarded for this sale will provide for a yearly rental payment of \$3 per acre or fraction thereof. Except for the fixed net profit share tracts listed in paragraph 4 of this notice, all leases awarded will provide for a minimum annual royalty payment of \$3 per acre or fraction thereof. The following systems will be utilized.

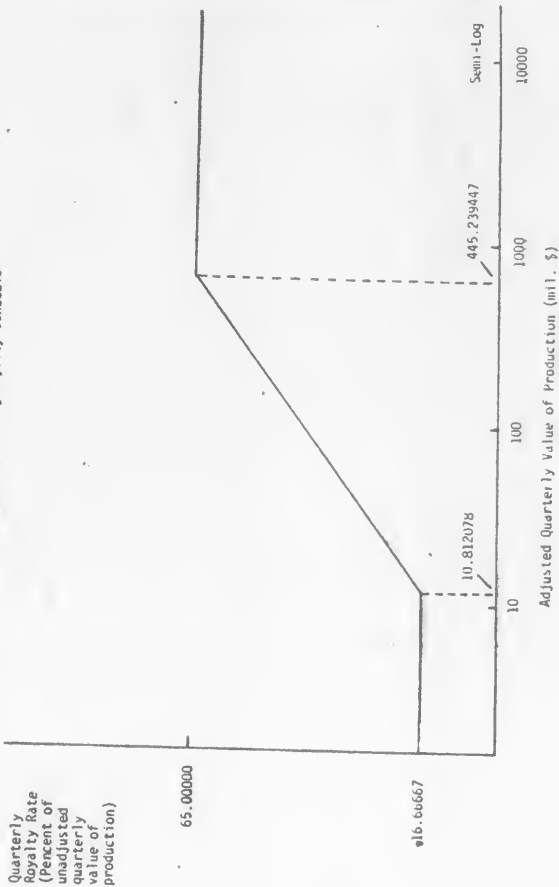
(a) Bonus Bidding with 33 1/3 Percent Royalty. Bids on tracts A62-71, A62-72, A62-73, A62-74, A62-75, A62-81, A62-82, A62-83, A62-113, A62-114, A62-115, A62-116, A62-129, A62-130, A62-148, A62-149, A62-150, A62-151, A62-152, A62-153, A62-154, and A62-232 must be on a cash bonus basis with a

fixed royalty of 33 1/3 percent.

(b) Bonus Bidding with a Fixed Sliding Scale Royalty. Bids on tracts A62-12, A62-13, A62-14, A62-18, A62-19, A62-20, A62-21, A62-22, A62-23, A62-24, A62-25, A62-26, A62-27, A62-28, A62-29, A62-30, A62-37, A62-44, A62-45, A62-48, A62-49, A62-51, A62-52, A62-65, A62-66, A62-67, A62-69, A62-70, A62-76, A62-96, A62-100, A62-104, A62-105, A62-106, A62-107, A62-108, A62-112, A62-117, A62-118, A62-119, A62-123, A62-124, A62-125, A62-126, A62-142, A62-143, A62-144, A62-145, A62-147, A62-155, A62-156, A62-157, A62-158, A62-159, A62-160, A62-161, A62-166, A62-227, and A62-231

4

Figure 1
Form of the Sliding Royalty Schedule



5

When the adjusted quarterly value of production is equal to or greater than \$445,239,478 million, a royalty of 65.00000 percent in amount or value of production saved, removed or sold will be due on the unadjusted quarterly value of production. Thus, in no instance will the quarterly royalty due exceed 65.00000 percent in amount or value of quarterly production saved, removed or sold.

In determining the quarterly percent royalty due, R_j , the calculation will be carried to five decimal places (for example, 21.25878 percent). This calculation will incorporate the adjusted quarterly value of production, V_j , in millions of dollars, rounded to the sixth digit, i.e., the nearest dollar (for example, 15.392847 millions of dollars).

The form of the sliding scale royalty schedule is illustrated in Figure 1. Note that the effective quarterly royalty rate depends upon the inflation adjusted quarterly value of production. However, this rate is applied to the unadjusted quarterly value of production to determine the royalty payments due.

In adjusting the quarterly value of production for use in calculating the percent royalty due on production during the quarter, the actual value of production will be adjusted to account for the effects of inflation by dividing the actual value of production by the following inflation adjustment factor. The inflation adjustment factor used will be the ratio of the GNP fixed weighted price index for the calendar quarter preceding the quarter of production to the value of that index for the quarter preceding the issuance of the lease. The GNP fixed weighted price index is published monthly in the Survey of Current Business by the Bureau of Economic Analysis,

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TABLE 1. HYPOTHETICAL EXAMPLES OF NET PROFIT SHARE

(A) Actual Value of Quarterly Production (Millions of Dollars)	(B) GDP Fixed Weighted Price Index	(C) Inflation Factor ¹	(E) Adjusted Value of Quarterly Production (M, Millions of \$)	(F) Percent Royalty Area (B)	(F) Royalty Payment ³ (Millions of Dollars)
10,000,000	200.0	4/3	7,500,000	16.66667	1,666,667
30,000,000	200.0	4/3	22,500,000	26.19174	7,851,122
90,000,000	200.0	4/3	67,500,000	40.47570	36,428,130
270,000,000	200.0	4/3	202,500,000	54.75766	147,845,682
810,000,000	200.0	4/3	607,500,000	65.00000	526,500,000
10,000,000	250.0	5/3	6,000,000	16.66667	1,666,667
30,000,000	250.0	5/3	18,000,000	23.29287	6,987,861
90,000,000	250.0	5/3	54,000,000	37.57483	33,817,347
270,000,000	250.0	5/3	162,000,000	51.85679	140,013,333
810,000,000	250.0	5/3	486,000,000	65.00000	526,500,000

1 Column (B) divided by 150.0 (assumed value of GDP fixed weighted price index at time leases are issued).

2 Column (A) divided by Inflation Factor.

3 Column (A) times Column (F) divided by 100. All values are rounded for display purposes only.

U.S. Department of Commerce. The percent royalty will be due and payable on the actual amount of value of production saved, removed, or sold as determined pursuant to 30 CFR 250.64. The timing of procedures for inflation adjustments and determinations of the royalty due will be specified at a later date. Table 1 provides hypothetical examples of quarterly royalty calculations using the sliding scale formula just described under two different values for the quarterly price index.

(c) Bonus Bidding with a Fixed Net Profit Share. Bids on tracts

A62-53, A62-54, A62-55, A62-56, A62-57, A62-85, A62-86, A62-87, A62-88, A62-99, A62-120, A62-121, A62-122, A62-128, A62-133, A62-134, A62-135, A62-136, A62-162, A62-163, A62-164, A62-165, A62-166, A62-169, A62-170, A62-171, A62-172, A62-173, A62-174, A62-175, A62-176, A62-177, A62-178, A62-179, A62-180, A62-181, A62-182, A62-183, A62-184, and A62-233 must be submitted on a cash bonus basis with a fixed net profit share rate of 50 percent and a 1.00 capital recovery factor. (Note: The capital recovery factor represents the actual capital recovery premium that is debited to the net profit share lease capital account, which is made in addition to the debit for actual expenses). The net profit share payment shall be calculated according to the Department of Energy regulations 10 CFR 390.

(d) Bonus Bidding with a 16 2/3 Percent Royalty. Bids on the remaining tracts to be offered at this sale must be submitted on a cash bonus basis with a fixed royalty of 16 2/3 percent.

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5. Equal Opportunity. Each bidder must have submitted by 9:30 a.m., c.s.t., September 30, 1980, the certification required by 41 CFR 60-1.7(b) and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, on the Compliance Report Certification Form, Form 1140-8 (November 1973), and the Affirmative Action Representation Form, Form 1140-7 (December 1971).

6. Bid Opening. Bids will be opened on September 30, 1980, beginning at 10:00 a.m., c.s.t., at the address stated in paragraph 2. The opening of the bids is for the sole purpose of publicly announcing and recording bids received and no bids will be accepted or rejected at that time. If the Department is prohibited for any reason from opening any bid before midnight, September 30, 1980, that bid will be returned unopened to the bidder, as soon thereafter as possible.

7. Deposit of Payment. Any cash, cashier's checks, certified checks or bank drafts on a solvent bank, submitted with a bid may be deposited in a suspense account in the Treasury during the period the bids are being considered. Such a deposit does not constitute and shall not be construed as acceptance of any bid on behalf of the United States.

8. Withdrawal of Tracts. The United States reserves the right to withdraw any tract from this sale prior to issuance of a written acceptance of a bid for that tract.

9. Acceptance or Rejection of Bids. The United States reserves the right to reject any and all bids for any tract. In any case, no bid for any tract will be accepted and no lease for any tract will be awarded to any bidder unless:

(a) The bidder has complied with all requirements of this notice and applicable regulations;

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(b) The bid is the highest valid cash bonus bid; and

(c) The amount of the bid has been determined to be adequate by the Secretary of the Interior.

No bid will be considered for acceptance unless it offers a cash bonus in the amount of \$25 or more per acre or fraction thereof.

10. Successful Bidders. Each person who has submitted a bid accepted by the Secretary of the Interior will be required to execute copies of the lease specified below, pay the balance of the cash bonus bid together with the first year's annual rental and satisfy the bonding requirements of 43 CFR Subpart 3318 within the time provided in 43 CFR 3316.5.

11. Leasing Maps/Official Protraction Diagrams. Tracts offered for lease may be located on the following leasing maps/official protraction diagrams which are available from the Manager, New Orleans Outer Continental Shelf Office at the address stated in paragraph 2.

(a) Outer Continental Shelf Leasing Maps - Texas Nos. 1 through 8.

These maps are arranged in two sets, Nos. 1 through 4 (7 maps), which sell for \$5 per set; and Nos. 5 through 8 (9 maps), which sell for \$7 per set.

(b) Outer Continental Shelf Leasing Maps - Louisiana Nos. 1 through 12. This is a set of 27 maps which sells for \$17.

(c) Outer Continental Shelf Official Protraction Diagrams:

NH 15-12 Fwing Bank

NH 16-7 Viosca Knoll

NH 16-10 Mississippi Canyon

NO 15-3 Green Canyon

These sell for \$2 each.

12. Tract Descriptions. The tracts offered for bids are as follows:

Note: There may be gaps in the numbers of the tracts listed. Some of the blocks identified in the final environmental statement may not be included in this notice. Some of the blocks are included in prior environmental statements rather than the environmental statement for this sale.

TENTATIVE TRACT LIST
OCS SALE #162

OCS LEASING MAP, SABINE PASS AREA, LOUISIANA MAP NO. 12
(Approved March 7, 1977)

Tract	Block	Description	Acres
A62-1	12	All	5000
A62-2	14	All	5000

OCS LEASING MAP, WEST CAMERON AREA, LOUISIANA MAP NO. 1
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acres
A62-3	53	All	5000
A62-4	54	All	5000
A62-5	58	All	5000
A62-6	59	All	5000
A62-7	64	All	5000
A62-8	68	N 1/2	2500
A62-9	79	All	5000
A62-10	90	All	5000
A62-11	91	All	5000
A62-12	97	All	5000
A62-13	166	All	5000
A62-14	167	All	5000
A62-15	203	All	5000
A62-16	211	All	5000
A62-17	240	All	5000

OCS LEASING MAP, WEST CAMERON AREA, WEST ADDITION, LOUISIANA MAP NO. 1A
(Approved November 15, 1955; Revised January 30, 1957)

Tract	Block	Description	Acres
A62-18	157	All	2170.32
A62-19	289	All	5000
A62-20	290	All	5000
A62-21	291	All	5000
A62-22	293	All	5000
A62-23	298	All	5000
A62-24	299	All	5000
A62-25	300	All	5000
A62-26	315	All	5000
A62-27	317	All	5000
A62-28	363	All	5000

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 1B
(Approved September 8, 1959)

Tract	Block	Description	Acres
A62-29	489	All	5000
A62-30	490	All	5000
A62-31	518	All	5000
A62-32	519	All	5000
A62-33	523	All	5000
A62-34	547	All	5000
A62-35	548	All	5000
A62-36	553	All	5000
A62-37	646	All	5000

OCS LEASING MAP, EAST CAMERON AREA, LOUISIANA MAP NO. 2
(Approved June 8, 1954; Revised August 1, 1973)

Tract	Block	Description	Acres
A62-38	2	1/2	2413.83
A62-39	16	1/2	2417.35
A62-40	43	All	5000
A62-41	50	All	5000
A62-42	65	All	5000
A62-43	66	S 1/2	2500

OCS LEASING MAP, EAST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 2A
(Approved September 8, 1959)

Tract	Block	Description	Acres
A62-44	348	All	5000
A62-45	349	All	5000

OCS LEASING MAP, VERMILION AREA, LOUISIANA MAP NO. 3
(Approved June 8, 1954; Revised June 25, 1954; Revised July 22, 1954)

Tract	Block	Description	Acres
A62-46	77	All	5000
A62-47	78	All	5000
A62-48	89	All	5000
A62-49	91	All	5067.26
A62-50	221	All	5204.83

OCS LEASING MAP, VERMILION AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A62-51	275	All	5000
A62-52	280	All	5000
A62-53	304	All	5000
A62-54	305	All	5000
A62-55	306	All	5000
A62-56	317	All	5000
A62-57	318	All	5000
A62-58	326	All	5000
A62-59	336	All	5000
A62-60	341	All	5000
A62-61	350	All	5000
A62-62	396	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, LOUISIANA MAP NO. 3A
(Approved August 7, 1959)

Tract	Block	Description	Acreage
A62-63	24	All	5000
A62-64	34	All	5000
A62-65	62	All	5000
A62-66	64	All	2965.03

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, SOUTH ADDITION, LOUISIANA MAP NO. 3C
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A62-67	100	All	5000
A62-68	122	All	5000
A62-69	160	All	5000
A62-70	198	All	3545.99

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, NORTH ADDITION, LOUISIANA MAP NO. 3D
(Approved April 16, 1971; Revised January 18, 1972)

Tract	Block	Description	Acreage
A62-71	231	7/	3592.72
A62-72	232	All	4818.68
A62-73	234	2/	1756.63
A62-74	236	8/	2070.72
A62-75	242	9/	3068.22
A62-76	247	All	4926.98
A62-77	274	All	5035.27

OCS LEASING MAP, EUGENE ISLAND AREA, LOUISIANA MAP NO. 4
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-78	76	All	5000
A62-79	90	All	3750
A62-80	113A	RI/2; SMI/4	5000
A62-81	116	WI/2	2500
A62-82	117	All	5000
A62-83	129A	All	3824.72
A62-84	133	All	5000
A62-85	142	All	5000
A62-86	143	All	5000
A62-87	146	All	5000
A62-88	147	All	5000
A62-89	148	All	5000
A62-90	159	All	5000
A62-91	160	All	5000
A62-92	181	All	5000
A62-93	182	All	5000
A62-94	226	All	5000
A62-95	240	All	5000

OCS LEASING MAP, EUGENE ISLAND AREA, SOUTH ADDITION, LOUISIANA MAP NO. 4A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A62-96	396	All	5000

OCS LEASING MAP, SHIP SHOAL AREA, LOUISIANA MAP NO. 5
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A62-97	12	All	5000
A62-98	13	3/	4357.81
A62-99	14	3/	3237.50
A62-100	50	All	5000
A62-101	67	1/	587.03
A62-102	173	All	5000

OCS LEASING MAP, SHIP SHOAL AREA, SOUTH ADDITION, LOUISIANA MAP NO. 5A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A62-103	319	All	5000
A62-104	332	All	5300.60

OCS LEASING MAP, SOUTH TIMBALIER AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
A62-105	76	All	5000
A62-106	77	All	5000
A62-107	96	All	5000
A62-108	97	All	5000
A62-109	160	All	5000
A62-110	174	All	3772.18
A62-111	192	All	5000
A62-112	200	All	5000
A62-113	208	All	5000
A62-114	209	All	5000

OCS LEASING MAP, SOUTH TIMBALIER AREA, SOUTH ADDITION, LOUISIANA MAP NO. 6A
(Approved September 8, 1959; Revised July 22, 1968)

Tract	Block	Description	Acreage
A62-115	227	All	5000
A62-116	228	All	5000
A62-117	246	All	5000
A62-118	269	All	5000
A62-119	274	All	5000
A62-120	284	All	5000
A62-121	285	All	2148.46
A62-122	287	All	5000

OCS LEASING MAP, SOUTH PELTO AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
A62-123	2	1/	3344.50
A62-124	3	1/	4756.82
A62-125	4	All	5000
A62-126	7	All	5000

OCS LEASING MAP, GRAND ISLE AREA, LOUISIANA MAP NO. 7
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A62-127	34	All	5000

OCS LEASING MAP, GRAND ISLE AREA, SOUTH ADDITION, LOUISIANA MAP NO. 7A
(Approved September 8, 1959; Revised March 7, 1961)

Tract	Block	Description	Acreage
A62-128	91	All	5000
A62-129	100	All	4539.89
A62-130	101	All	4539.89

OCS LEASING MAP, WEST DELTA AREA, LOUISIANA MAP NO. 8
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A62-131	27	All	5000
A62-132	102	All	5000

OCS LEASING MAP, WEST DELTA AREA, SOUTH ADDITION, LOUISIANA MAP NO. 8A
(Approved September 8, 1959; Revised November 24, 1961)

Tract	Block	Description	Acreage
A62-133	143	All	5000
A62-134	144	All	5000
A62-135	147	All	5000
A62-136	148	All	5000

OCS LEASING MAP, SOUTH PASS AREA, LOUISIANA MAP NO. 9
(Approved June 8, 1954; Revised July 22, 1954; Revised May 11, 1973)

Tract	Block	Description	Acreage
A62-137	35	All	741.73
A62-138	38	1/2	4747.92
A62-139	45	All	4999.96
A62-140	56	5/8	2999.84

OCS LEASING MAP, MAIN PASS AREA, LOUISIANA MAP NO. 10
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-141	(77	1/2	4655.15
A62-142	78)	All	4994.55
A62-143	108	All	4994.55
A62-144	126	All	4999.96
	150		

OCS LEASING MAP, MAIN PASS AREA, SOUTH AND EAST ADDITION, LOUISIANA MAP NO. 10A
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A62-145	265	All	4994.55
A62-146	301	All	4999.96
A62-147	315	All	4999.96

OCS LEASING MAP, BREYON SOUND AREA, LOUISIANA MAP NO. 10
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-148	39	1/2	1237.37
A62-149	40	1/2	4877.32
A62-150	41	All	4994.55
A62-151	42	1/2	4751.83
A62-152	43	1/2	1994.61
A62-153	54	N1/2; N1/2SW1/4; N1/2S1/2SW1/4; SW1/4SW1/4SW1/4; N1/2S1/2S1/4	4448.27
A62-154	55	N1/2	2497.27

OCS LEASING MAP, CHANDLER AREA, LOUISIANA MAP NO. 11
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-155	17	All	5000
A62-156	25	All	5000
A62-157	32	All	5000
A62-158	33	All	5000
A62-159	34	All	5000

OCS OFFICIAL PROTRACTION DIAGRAM, VIOSEA ROLL NH 16-7
(Approved October 10, 1972; Revised February 15, 1973; Revised August 1, 1973;
Revised December 2, 1976)

Tract	Block	Description	Acreage
A62-160	24	All	5760
A62-161	68	All	5760
A62-162	864	All	5760
A62-163	865	All	5760
A62-164	908	All	5760
A62-165	909	All	5760

OCS LEASING MAP, SHIP SHOAL AREA, LOUISIANA MAP NO. 5
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A62-227	171	All	5000

OCS LEASING MAP, SOUTH TIBERLIER AREA, LOUISIANA MAP NO. 6
(Approved June 8, 1954; Revised July 22, 1954; Revised December 9, 1954)

Tract	Block	Description	Acreage
A62-228	34	All	3772.18

OCS LEASING MAP, WEST DELTA AREA, LOUISIANA MAP NO. 8
(Approved June 8, 1954)

Tract	Block	Description	Acreage
A62-229	78	All	5000

OCS LEASING MAP, WEST CAMERON AREA, SOUTH ADDITION, LOUISIANA MAP NO. 1B
(Approved September 8, 1959)

Tract	Block	Description	Acreage
A62-230	575	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, LOUISIANA MAP NO. 3A
(Approved August 7, 1959)

Tract	Block	Description	Acreage
A62-231	26	All	5000

OCS LEASING MAP, SOUTH MARSH ISLAND AREA, NORTH ADDITION, LOUISIANA MAP NO. 3D
(Approved April 16, 1971; Revised January 18, 1972)

Tract	Block	Description	Acreage
A62-232	235	5/	3633.65

OCS OFFICIAL PROTRACTOR DIAGRAM, EWING BANK NH 15-12
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
A62-166	304	All	3140.42

OCS OFFICIAL PROTRACTOR DIAGRAM, MISSISSIPPI CANYON NH 16-10
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
A62-167	149	All	5611.56

OCS OFFICIAL PROTRACTOR DIAGRAM, GREEN CANYON NG 15-3
(Approved February 15, 1973; Revised December 2, 1976)

Tract	Block	Description	Acreage
A62-168	89	All	5760
A62-169	90	All	5760
A62-170	91	All	5760
A62-171	133	All	5760
A62-172	134	All	5760
A62-173	135	All	5760
A62-174	136	All	5760
A62-175	137	All	5760
A62-176	138	All	5760
A62-177	139	All	5760
A62-178	140	All	5760
A62-179	179	All	5760
A62-180	180	All	5760
A62-181	181	All	5760
A62-182	182	All	5760
A62-183	183	All	5760
A62-184	184	All	5760

OCS LEASING MAP, WEST CAMERON AREA, LOUISIANA MAP NO. 1
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-226	69	S1/2	2500

OCS LEASING MAP, MAIN PASS AREA, LOUISIANA, MAP NO. 10
(Approved June 8, 1954; Revised July 22, 1954)

Tract	Block	Description	Acreage
A62-233	123	All	4994.55

- 1/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13).
- 2/ That portion of the lease block located landward of a line three marine leagues seaward of a line extending from a point on Shell Keys at a latitude 29°24'32.15"N., Longitude 91°51'16.59"W., (X = 1,834,019.00, Y = 270,701.00), northwesterly in a straight line to Tigre Point at latitude 29°32'23.13"N., Longitude 92°14'57.15"W., (X = 1,708,756.00, Y = 318,661.00). The coordinates used refer to the Louisiana (Lambert) Coordinate System (South Zone).
- 3/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13) excluding the S1/2SE1/4.
- 4/ That portion of the lease block which is more than three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, June 16, 1975 (United States vs. Louisiana, 422 U.S. 13) excluding the S1/2S1/2.
- 5/ That portion of the lease block located landward of a line which is three geographical miles seaward from the line described in the supplemental decree of the U.S. Supreme Court, December 13, 1965, United States vs. Louisiana No. 9 Original (382 U.S. 288).

5/ A portion of Block 235, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana, Map No. 3D, described as follows:
Beginning at the northwest corner of Block 235, the coordinates of which referred to the Louisiana (Lambert) coordinate System (South Zone) are: X = 1,765,446.562 and Y = 246,149.987;

From the initial corner,
South 8,033.742 ft. to X=1,765,446.562 Y=238,116.245
S. 68°53'25"W. 15,819.67 ft. to X=1,780,204.612 Y=232,418.716
North 11,981.284 ft. to X=1,780,204.612 Y=244,400.00
N. 56°36'22"W. 3,179.53 ft. to X=1,777,550.00 Y=246,149.987
West 12,103.438 ft. to the point of beginning.

The position of the corners and direction of the lines are referred to the Louisiana (Lambert) Coordinate System (South Zone).

7/ A portion of Block 231, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana, Map No. 3D, described as follows:

Beginning at the Northwest Corner of Block 231, the coordinates of which referred to the Louisiana (Lambert) Coordinate System (South Zone) are: X = 1,750,688.512; Y=260,908.037;

From the initial corner,

South 14,758.05 ft. to X=1,750,688.512 Y=246,149.987
East 14,758.05 ft. to X=1,765,446.562 Y=246,149.987
North 5,700.013 ft. to X=1,765,446.562 Y=251,850.00
N. 58°17'31"W. 4,756.54 ft. to X=1,761,400.00 Y=254,350.00
N. 59°38'50"W. 4,825.97 ft. to X=1,757,400.00 Y=257,050.00
N. 50°00'48"W. 6,003.70 ft. to X=1,752,800.00 Y=260,908.037
West 2,111.488 ft. to the point of beginning

The position of the corners and direction of the lines are referred to the Louisiana (Lambert) Coordinate System (South Zone).

8/ A portion of Block 236, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana, Map No. 3D, described as follows:

Beginning at the Southwest corner of Block 236, the coordinates of which referred to the Louisiana (Lambert) Coordinate System (South Zone) are: X = 1,780,204.612 and Y = 231,391.937;

From the initial corner,

East 13,495.388 ft. to X=1,793,700.00 Y=231,391.937
N. 46°26'43"W. 5,381.42 ft. to X=1,789,800.00 Y=235,100.00
N. 40°56'05"W. 3,687.82 ft. to X=1,787,400.00 Y=237,900.00
N. 46°41'05"W. 4,810.41 ft. to X=1,783,900.00 Y=241,200.00
N. 49°06'33"W. 4,888.34 ft. to X=1,780,204.612 Y=244,400.00
South 13,008.063 ft. to the point of beginning

The position of the corners and direction of the lines are referred to the Louisiana (Lambert) Coordinate System (South Zone).

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13. Lease Terms and Stipulations. All leases issued as a result of this sale will be for an initial term of 5 years. Leases issued as a result of this sale will be on Form 3300-1 (September 1978), available from the Manager, New Orleans Outer Continental Shelf Office, at the address stated in paragraph 2.

(a) For leases resulting from this sale for tracts offered on a cash bonus basis with fixed sliding scale royalty, listed in paragraph 4(b), Form 3300-1 will be amended as follows:

Sec. 6 Royalty on Production. (a) The Lessee agrees to pay the lessor royalty of that percent in amount or value of production saved, removed or sold from the leased area as determined by the sliding scale royalty formula as follows: When the quarterly value of production, adjusted for inflation, is less than or equal to \$10,812,077 million, a royalty of 16.66667 percent in amount or value of production saved, removed or sold will be due on the unadjusted value or amount of production. When the adjusted quarterly value of production is equal to or greater than \$10,812,078 million, but less than or equal to \$445,239,477 million, the royalty percent due on the unadjusted value or amount of production is given by

$$R_j = b \ln (V_j/S)$$

where

R_j = the percent royalty that is due and payable on the unadjusted amount or value of all production saved, removed or sold in quarter j

$$b = 13.0$$

\ln = natural logarithm

V_j = the value of production in quarter j , adjusted for inflation, in millions of dollars

$$S = 3.0$$

When the adjusted quarterly value of production is equal to or greater than \$445,239,478 million, a royalty of 65.00000 percent in amount or value of production saved, removed or sold will be due on the unadjusted quarterly value of production. Thus, in no instance will the quarterly royalty due exceed 65.00000 percent in amount or value of quarterly production saved, removed or sold.

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9/ A portion of Block 242, OCS Leasing Map, South Marsh Island Area, North Addition, Louisiana, Map No. 30, described as follows: Beginning at the Southwest corner of block 242, the coordinates of which referred to the Louisiana (Lambert) Coordinate System (South Zone) are: $X = 1,794,962.662$ and $Y = 216,633.887$;

From the initial corner,

East	14,758.05 ft.	to $X = 1,809,720.712$	$Y = 216,633.887$
North	4,635.811 ft.	to $X = 1,809,720.712$	$Y = 221,269.698$
Northwesterly	along the arc of a 54,721.8 ft. radius circle to		
	$N. 56^{\circ}51'08''W$	$X = 1,804,097.05$	$Y = 224,484.49$
South	10,909.83 ft.	to $X = 1,794,962.662$	$Y = 230,450.00$
	13,816.113 ft.	to the point of beginning.	

The position of the corners and direction of the lines are referred to the Louisiana (Lambert) Coordinate System (South Zone).

Stipulation No. 1

If the DCM, having reason to believe that a site, structure or object of historical or archaeological significance hereinafter referred to as "cultural resource", may exist in the lease area, gives the lessee written notice that the lessor is invoking the provisions of this stipulation, the lessee shall upon receipt of such notice comply with the following requirements:

Prior to any drilling activity or the construction or placement of any structure for exploration or development on the lease, including but not limited to, well drilling and pipeline and platform placement, hereinafter in this stipulation referred to as "operation", the lessee shall conduct remote sensing surveys to determine the potential existence of any cultural resource that may be affected by such operations. All data produced by such remote sensing surveys as well as other pertinent natural and cultural environmental data shall be examined by a qualified marine survey archaeologist to determine if indications are present suggesting the existence of a cultural resource that may be adversely affected by any lease operation. A report of this survey and assessment prepared by the marine survey archaeologist shall be submitted by the lessee to the DCM and to the Manager for review.

If such cultural resource indicators are present the lessee shall: (1) locate the site of such operation so as not to adversely affect the identified location; or (2) establish, to the satisfaction of the DCM, on the basis of further archaeological investigation conducted by a qualified marine survey archaeologist or underwater archaeologist using such survey equipment and techniques as deemed necessary by the DCM, either that such operation will not adversely affect the location identified or that the potential cultural resource suggested by the occurrence of the indicators does not exist.

A report of this investigation prepared by the marine survey archaeologist or underwater archaeologist shall be submitted to the DCM and the Manager for review. Should the DCM determine that the existence of a cultural resource which may be adversely affected by such operation is sufficiently established to warrant protection, the lessee shall take no action that may result in an adverse effect on such cultural resource until the DCM has given directions as to its preservation.

The lessee agrees that if any site, structure or object of historical or archaeological significance should be discovered during the conduct of any operations on the leased area, he shall report immediately such findings to the DCM and make every reasonable effort to preserve and protect the cultural resource from damage until the DCM has given directions as to its preservation.

Stipulation No. 2

(To be included only in the leases resulting from this proposed sale for Tracts A62-53, A62-54, A62-55, A62-56 and A62-57).

2. No structures, drilling rigs, or pipelines will be allowed within the 55 m isobaths of Somier Banks as shown in Figure 2 attached to and made a part of this lease.

In determining the quarterly percent royalty due, R_j , the calculation will be carried to five decimal places (for example, 21.25878 percent). This calculation will incorporate the adjusted quarterly value of production, V_j , in millions of dollars, rounded to the sixth digit, i.e., to the nearest dollar (for example, 15,392847 millions of dollars). Gas of all kinds (except helium) is subject to royalty. The lessor shall determine whether production royalty shall be paid in amount or value.

(b) For leases resulting from this sale for tracts offered on a cash bonus basis with a fixed net profit share, listed in paragraph 4(c), Form 3300-1 will be amended as follows:

Sec. 4. Rentals. The phrase "which commences prior to a discovery in paying quantities of oil or gas on the leased area" is hereby deleted and replaced by "which commences prior to the date the first profit share payment becomes due".

Sec. 5. Minimum Royalty. Hereby deleted.

Sec. 6. Royalty on Production. Hereby replaced by Fixed Net Profit Share.

The lessee agrees to pay a net profit share rate of 50 percent with a 1.00 capital recovery factor, calculated pursuant to 10 CFR 390.

(c) Except as otherwise noted, the following stipulations will be included in each lease resulting from this proposed sale. In the following stipulations the term DCM refers to the Deputy Conservation Manager for Field Operations, Gulf of Mexico OCS Region, U.S. Geological Survey and the term Manager refers to the Manager of the New Orleans OCS Office of the Bureau of Land Management.

monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling fluids or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of that bank is being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (a) above or other appropriate operational restrictions.

Stipulation No. 4

(To be included only in the lease resulting from this proposed sale for Tract A62-104.)

Operations within the area shown as "3 Mile Zone" in Figure 4, (Diaphus Bank), attached to and made a part of this lease, shall be restricted as specified in either (a) or (b) below at the option of the lessee.

a. All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a dumptape that terminates an appropriate distance, but no more than ten meters, from the bottom.

b. The operator (lessee) shall submit a monitoring plan as part of the exploration and development and production plans. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified independent scientific personnel and these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling fluids or cuttings presents no danger to the bank, no surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank is being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (a) above or other appropriate operational restrictions.

Stipulation No. 5

(To be included only in the leases resulting from this proposed sale for Tracts A62-133, A62-134, A62-135 and A62-136.)

a. No structures, drilling rigs, or pipelines will be allowed within the 85 m isobath of Sackett Bank as defined in Figure 5 attached to and made a part of this lease.

b. Operations within the areas shown as "1 Mile Zone" in Figure 2 shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a dumptape that terminates an appropriate distance, but no more than ten meters, from the bottom.

c. Operations within the area shown as "3 Mile Zone" in Figure 2 shall be restricted as specified in either (1) or (2) below at the option of the lessee.

(1) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a dumptape that terminates an appropriate distance, but no more than ten meters, from the bottom.

(2) The operator (lessee) shall submit a monitoring plan as part of the exploration and development and production plans. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling fluids or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank is being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (1) above or other appropriate operational restrictions.

Stipulation No. 3

(To be included only in the lease resulting from this proposed sale for Tract A62-62).

Operations within the area shown as "3 Mile Zone" in Figure 3, (Rezak Bank), attached to and made a part of this lease, shall be restricted as specified in either (a) or (b) below at the option of the lessee.

a. All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a dumptape that terminates an appropriate distance, but no more than ten meters, from the bottom.

b. The operator (lessee) shall submit a monitoring plan as part of the exploration and development and production plans. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified independent scientific personnel and that these personnel and all required equipment will be available at the time of operations. The

b. Operations within the areas shown as "1 Mile Zone" in Figure 5 shall be restricted by shunting all drill cuttings and drilling fluids to the bottom through a dumptape that terminates an appropriate distance, but no more than ten meters, from the bottom.

c. Operations within the area shown as "3 Mile Zone" in Figure 5 shall be restricted as specified in either (1) or (2) below at the option of the lessee.

(1) All drill cuttings and drilling fluids must be disposed of by shunting the material to the bottom through a dumptape that terminates an appropriate distance, but no more than ten meters, from the bottom.

(2) The operator (lessee) shall submit a monitoring plan as part of the exploration and development and production plans. The monitoring plan will be designed to assess the effects of oil and gas exploration and development operations on the biotic communities of the nearby banks.

The monitoring program shall indicate that the monitoring investigations will be conducted by qualified independent scientific personnel, and that these personnel and all required equipment will be available at the time of operations. The monitoring team will submit its findings to the DCM on a schedule established by the DCM, or immediately in case of imminent danger to the biota of the bank resulting directly from drilling or other operations. If it is decided that surface disposal of drilling fluids or cuttings presents no danger to the bank, no further monitoring of that particular well or platform will be required. If, however, the monitoring program indicates that the biota of the bank is being harmed, or if there is a great likelihood that operation of that particular well or platform may cause harm to the biota of the bank, the DCM shall require shunting as specified in (1) above or other appropriate operational restrictions.

Stipulation No. 6

(To be included only in the leases resulting from this proposed sale for Tracts A62-37, A62-54, A62-70, A62-96, A62-128, A62-136 through A62-141, A62-144, and A62-166 through A62-184.)

All or portions of this lease may be subject to mass movement of sediments, unstable slopes, shallow faults, or gaseous sediments. Exploratory drilling operations, emplacement of structures (platforms) or seafloor wellheads for production or storage of oil or gas, and the emplacement of pipelines will not be allowed within the potentially unstable portions of this lease block unless or until the lessee has demonstrated to the DCM's satisfaction that mass movement of sediments is unlikely or that exploratory drilling operations, structures (platforms), casing, wellheads and pipelines can be safely designed to protect the environment in case such mass movement occurs at the proposed location. This may necessitate that all exploration for and development of oil or gas be performed from locations outside of the area of unstable sediments, either within or outside of this lease block.

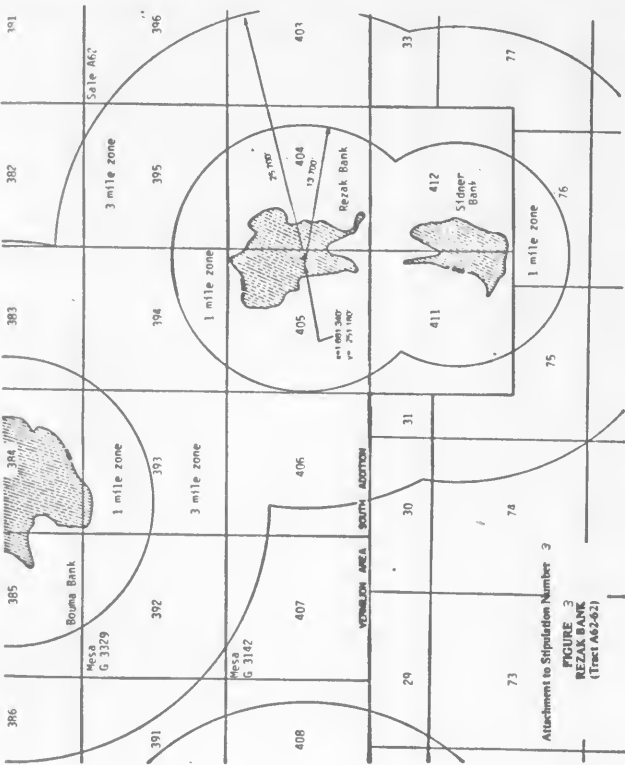
If exploratory drilling operations are allowed, site-specific surveys shall be conducted to determine the potential for unstable bottom conditions. If emplacement of structures (platforms) or seafloor wellheads for production or storage of oil or gas are allowed, all such unstable areas must be mapped. The DCM may also require soil testing before exploration and production operations are allowed.

Stipulation No. 7

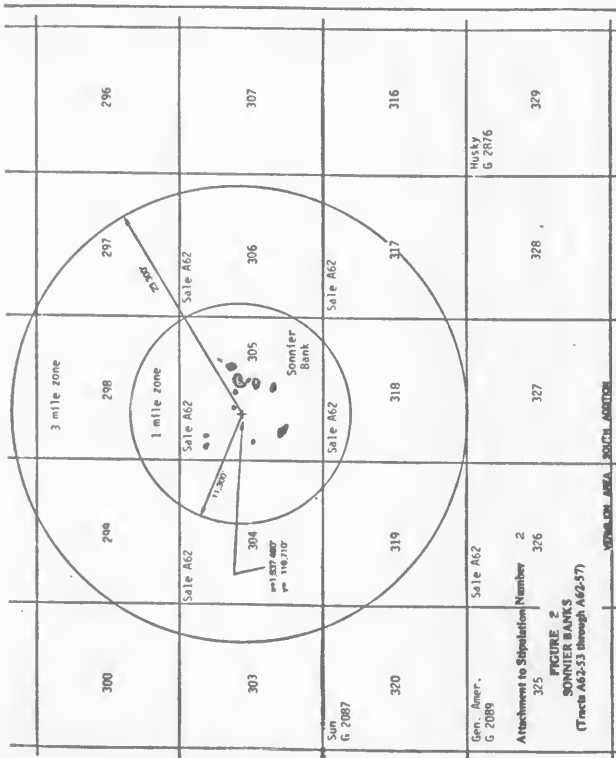
(To be included only in the leases resulting from this proposed sale for the fixed sliding scale and the 33 1/3 percent royalty tracts listed in paragraph 4 of this notice.)

a. The royalty rate on production saved, removed or sold from this lease is subject to consideration for reduction under the same authority that applies to all other oil and gas leases on the Outer Continental Shelf (30 CFR 250.21). The Director, Geological Survey, may grant a reduction for only one year at a time and reduction of royalty rates will not be approved unless production has been underway for one year or more.

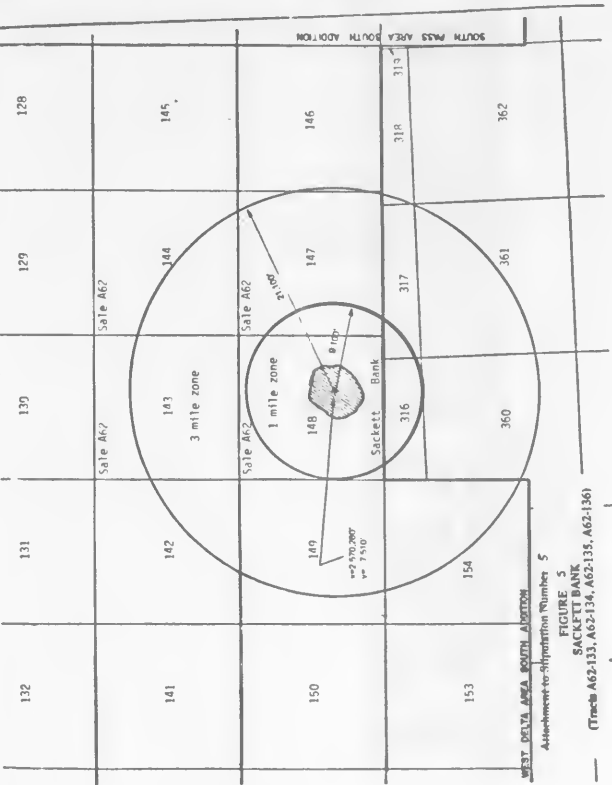
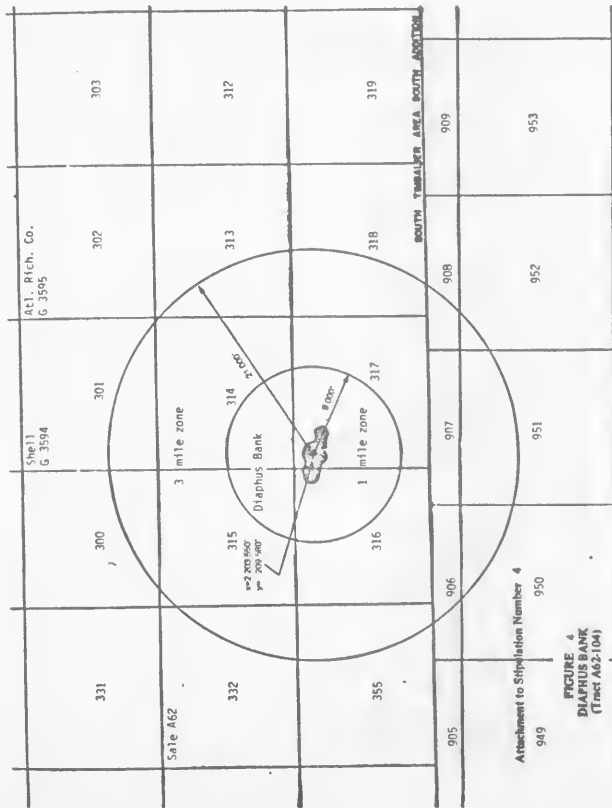
b. Although the royalty rate specified in section 6(a) of this lease or as subsequently modified in accordance with applicable regulations and stipulations is applicable to all production under this lease, not more than 16 2/3 percent of the production saved, removed or sold from the lease area may be taken as royalty in amount, except as provided in Sec. 15(d); the royalty on any portion of the production saved, removed or sold from the lease in excess of 16 2/3 percent may only be taken in value of the production saved, removed or sold from the lease area.



Attachment to Stipulation Number 3
 FIGURE 3
 REZAK BANK
 (Tract A62-421)



Attachment to Stipulation Number 2
 FIGURE 2
 SONNER BANKS
 (Tracts A62-53 through A62-57)



14. Information to Lessees. The Department of the Interior will seek the advice of the States of Texas, Louisiana, Mississippi and Alabama, and other Federal agencies, to identify areas of special concern which might require appropriate protective measures for live bottom areas and areas which might contain cultural resources.

If it is determined that live bottom areas might be adversely impacted by the proposed activities then the DOW, in consultation with the Regional Director, Fish and Wildlife Service (FWS), the Manager, BLM, and the States, will require the lessee to undertake any measures pursuant to Section 5(a) of the Act to protect live bottom areas.

Bidders are advised that the Department of Energy is authorized, under Section 302(b) & (c) of the Department of Energy Organization Act, to establish production rates for all Federal oil and gas leases.

Operations on some of the tracts offered for lease may be restricted by designation of fairways, traffic separation schemes or precautionary zones established by the Coast Guard pursuant to the Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.). Corps of Engineers permits are required for construction of any artificial islands, installations and other devices permanently or temporarily attached to the seabed located on the Outer Continental Shelf in accordance with section 4(e) of the Outer Continental Shelf Lands Act of 1953, as amended.

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BILLING CODE 4310-84-C

Bidders are advised that the Departments of the Interior and Transportation have entered into a Memorandum of Understanding dated May 6, 1976, concerning the design, installation, operation and maintenance of offshore pipelines. Bidders should also consult both Departments for regulations applicable to offshore pipelines.

Bidders are also advised that in accordance with Sec. 16 of each lease offered at this sale, the lessor may require a lessee to operate under a unit, pooling or drilling agreement, and that the lessor will give particular consideration to requiring unitization in instances where one or more reservoirs underlie two or more leases with either a different royalty rate or a net profit share payment.

15. OCS Orders. Operations on all leases resulting from this sale will be conducted in accordance with the provisions of all Gulf of Mexico Orders, as of their effective date, and any other applicable OCS Order as it becomes effective.

Associate
Director, Bureau of Land Management

Ed Hartig

AUG 7 1980

Approved:

[Signature] Cecil D. ANDRUS
Secretary of the Interior
AUG 15 1980